

STATEMENT OF PURPOSE

RS22358

Currently, confusion exists over the status of certain entities that are not considered a "natural person" and the entity's inclusion or exclusion from a composite return. Also, confusion exists over whether or not a pass-through entity has to pay the Permanent Building Fund fee (PBF) for a nonresident individual where pass-through entity has not "paid" any tax for the nonresident individual because the individual has either a negative Idaho source distributable income or has a positive Idaho source distributable income of less than \$1,000.

This legislation adds language to clarify the definition of an individual for purposes of sections 63-3022L and 63-3036B and will add language to clarify the relationship between the PBF and section 63-3022L, Idaho Code, composite return filings. In addition to these clarifications, a cross-reference will be added to the Idaho code section that governs a nonresident's Idaho source income

FISCAL NOTE

No fiscal effect

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